

CITY OF HUNTINGTON PARK

Community Development Department

Oversight Board for the Successor Agency to the Community Development Commission
of the City of Huntington Park
Agenda Report

February 20, 2013

Honorable Chair and Members of the Oversight Board
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Members of the Oversight Board for the Successor Agency to the Community Development Commission of the City of Huntington Park:

ADOPTION OF A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SUCCESSOR AGENCY OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK

IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:

1. Adopt a Resolution of the Oversight Board for the Successor Agency to the Community Development Commission of the City of Huntington Park approving a Recognized Obligation Payment Schedule ("ROPS IV or 13-14A") for the period of July 1, 2013 through December 31, 2013, in order to comply with Section 34177 of the Health and Safety Code.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The ROPS serves to identify allowable costs or "enforceable obligations" of the former Community Development Commission, such as bond payments, loans, contracts, projects, etc. Legislation requires the Successor Agency to prepare a ROPS every six months. Each ROPS must be approved by the Successor Agency Board and subsequently be approved by the Oversight Board. ROPS is then forwarded to the State of California Department of Finance ("DOF") for final review and approval, no later than **March 1, 2013**.

The preparation and submittal of ROPS 13-14A is required for the Successor Agency to pay its expenditures or "enforceable obligations" for the period from July 1, 2013 to December 31, 2013. These enforceable obligations are paid from Redevelopment Property Tax Trust Fund (RTTPF) monies received from the DOF (via the County) on or about July 6, 2013.

The DOF is using the items previously listed on ROPS III (covering payment periods of January to June 2013), as a basis for all future ROPS. Previously listed items are effectively hard coded, while new items are added to the end of the list. Therefore, the first 26 items on the ROPS represent items previously listed on ROPS III, while items 27-31 represent new items added for ROPS IV.

In addition, the DOF has changed the naming convention for the ROPS reports. Going forward, the DOF will be using "ROPS 13-14 A" instead of ROPS IV. We will use these terms interchangeably throughout the report, however.

FISCAL IMPACT/FINANCING

There are 31 listed on ROPS 13-14A, which represent \$4,416,335 in enforceable obligations due for the six-month period covering July through December 2013 payable from RTTPF monies. The City received \$4,202,000 in RPTTF monies from the County Auditor-Controller last year. If the Successor Agency receives a similar amount in RTTPF property tax revenues in July of 2013, together with a remaining cash balance, it should be able to meet the its listed enforceable obligations, with the exception of the arbitrage rebate payment of \$3.4 million, which is due in 2014.

There are 31 items listed on ROPS 13-14A:

Item #6	\$2.5 million County referral payment due last June
Items #13 & 14	\$173,000 clean-up costs for the Southland Steel property that will no longer be expended.
Item # 15 & 25	Represent expenses denied by the DOF on ROPS III.
Item #27	Represents the arbitrage rebate liability of \$3.4 million due on the 2007A TABs, which is due in 2014.

the remaining 25 items are enforceable obligations for the six month period from July to December 2013, which consist of the following major expense categories:

Item #1 - 5	\$3.6 million bond debt service payments
Items #7, 8, 11, 12, 19 & 20	\$311,200 Maintenance, relocation and appraisal services expenses in connection to Successor Agency properties and projects
Items #9, 16, 21 & 31	\$97,000 direct personnel expenses
Items #10, 17, 22, 23 & 29	\$48,000 legal fees for Successor Agency and Oversight Board
Items #24, 26 & 28	\$375,000 Successor Agency administrative allowance

The form of the ROPS 2013-14A was presented to the Successor Agency at the February 19, 2013 meeting and upon final approval by the Oversight Board will be forwarded to the DOF and CAC by the March 1st, 2013 deadline.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Beginning with ROPS 13-14A, a Successor Agency is required to submit an Oversight Board approved-ROPS to the County Auditor-Controller (CAC) and Department of Finance (DOF) within 90 days prior to the semiannual Redevelopment Property Tax Trust Fund property fund distribution. Additionally, all ROPS must be adopted at a public meeting of the Successor Agency and be posted on the City's website.

If the Successor Agency does not submit an Oversight Board-approved ROPS by March 1, 2013 could expose the Successor Agency to the following penalties:

1. \$10,000 per day civil penalty for each day the ROPS is delinquent.
2. Failure to submit the ROPS within 10 days of the deadline may result in a 25% reduction of a Successor Agency's maximum administrative cost allowance for the period covered by the delinquent ROPS
3. If Successor Agency fails to submit an Oversight Board-approved ROPS within five business days after the April 1st and October 1st dates on which the CAC releases the estimated property tax allocation, the DOF may determine if any amount should be withheld to pay enforceable obligations, pending DOF approval of a ROPS.

Upon approval by the Oversight Board and DOF, ROPS 13-14A will be posted on the City's website.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORTS

None.


CONCLUSION

Staff recommends that the Oversight Board adopt the attached Resolution approving a Recognized Obligation Payment Schedule 13-14A, and authorize staff forward the final form to the DOF and CAC.

Respectfully submitted,



RENÉ BOBADILLA
City Manager, P.E.



JULIO MORALES
Finance Director

Attachment: Resolution No. OSB 2013-02

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Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves proposed ROPS 13-14A, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 13-14A to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS 13-14A on the Successor Agency's Internet website (being a page on the Internet website of the City of Huntington Park).

Section 3. The officers of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED AND ADOPTED this 20th day of February, 2013.

CHAIR, OVERSIGHT BOARD

ATTEST:

Rhonda Rangel, Deputy Clerk
Los Angeles County Board of Supervisors Acting as Secretary to the Huntington Park
Oversight Board

EXHIBIT A

ROPS No. 13-14 A

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1 STATE OF CALIFORNIA)
2 COUNTY OF LOS ANGELES) SS
3 CITY OF HUNTINGTON PARK)
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5 I, Rhonda Rangel, Secretary of the Oversight Board, DO HEREBY CERTIFY that the
6 foregoing Oversight Board Resolution No. OSB 2013-02 was duly adopted by the Oversight
7 Board and approved by the Chair at a meeting of said Oversight Board held on the 20th day
8 of February, 2013 and that it was so adopted as follows:

9 AYES:

10 NOES:

11 ABSENT:

12 ABSTAINING:
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18 Rhonda Rangel, Deputy Clerk
19 Los Angeles County Board of Supervisors Acting as Secretary
20 to the Huntington Park Oversight Board
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Successor Agency

ID: 113
County: Los Angeles
Successor Agency:

Primary Contact

Honorific (Ms. Mr, Mrs) Mr.
First Name Julio
Last Name Morales
Title Finance Director
Address 6550 Miles Avenue

City Huntington Park
State CA
Zip 90255
Phone Number 323-584-6201
Email Address jmorales@huntingtonpark.org

Secondary Contact

Honorific (Ms. Mr, Mrs) Ms.
First Name Fernanda
Last Name Palacios
Title Project Manager
Phone Number 323-584-6266
Email Address fpalacios@huntingtonpark.org

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: HUNTINGTON PARK (LOS ANGELES)

Outstanding Debt or Obligation	Total
Total Outstanding Debt or Obligation	\$194,995,295

Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	\$ -
B Enforceable Obligations Funded with RPTTF	\$ 7,441,335
C Administrative Allowance Funded with RPTTF	\$ 375,000
D Total RPTTF Funded (B + C = D)	\$ 7,816,335
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$ 7,816,335
F Enter Total Six-Month Anticipated RPTTF Funding	\$ 4,200,000
G Variance (F-D=G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ (3,616,335)

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))

H Enter Estimated Obligations Funded by RPTTF <i>(lesser of Finance's approved RPTTF amount including admin allowance or actual amount distributed)</i>	\$ 4,200,000
I Enter Actual Obligations Paid with RPTTF	\$ 6,101,034
J Enter Actual Administrative Expenses Paid with RPTTF	\$ -
K Adjustment to Redevelopment Obligation Retirement Fund (H-(I+J)=K)	\$ -
L Adjustment to RPTTF (D-K=L)	\$ 7,816,335

Certification of Oversight Board Chairman:
Pursuant to Section 34177(m) of the Health and Safety code,
I hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named agency.

Elba Guerrero	Chair
Name	Title
/s/	
Signature	Date

**HUNTINGTON PARK RDA SUCCESSOR AGENCY
ROPS 13-14 A**

Item #	Project Name	Contract Date	Contract End Date	Payee	Description	Project Area	Funding Source		Bond Proceeds	Reserves	Admin Allowance	RTTPF	Other	Six Month Total
							Outstanding Debt	Due During Fiscal Year FY 13-14						
							\$ 194,995,295	\$ 10,953,556	\$ -	\$ -	375,000	7,441,335	\$ -	\$ 7,816,335
1	2004A TABs	5/1/1994	9/1/2022	Bondholders	Bond Payment	Merged	44,542,778	5,334,332	-	-	-	2,704,441	-	2,704,441
2	DSR Surety Repayment 2004A TABs	n/a	n/a	Assured Guaranty	Bond Payment	Merged	-	-	-	-	-	159,000	-	159,000
3	Public Funding Lease Agreement 2007	10/10/1997	12/1/2025	Bondholders via All Points Public Funding	Bond Payment	Merged	7,051,739	540,420	-	-	-	424,294	-	424,294
4	Promissory Note Merged Redevelopment (Santa Fe) Project	2/1/2007	10/1/2007	Bondholders	Bond Payment	Merged	3,439,969	231,087	-	-	-	177,466	-	177,466
5	Promissory Note Neighborhood Preservation Project	2/1/2007	2/1/2007	Bondholders	Bond Payment	Neighborhood Preservation RDA	6,850,309	488,217	-	-	-	101,434	-	101,434
6	Los Angeles County Reimbursement Agreement	1/30/1994		Los Angeles County	Deferral Agreement	Merged	126,230,000	-	-	-	-	-	-	-
7	Carmelita Project Relocation Benefits	n/a	n/a	Tenants	Permanent relocation	Neighborhood Preservation	25,000	25,000	-	-	-	25,000	-	25,000
8	Carmelita Relocation Services	6/16/2008	6/16/2011	Overland Pacific & Cutler	Relocation services	Neighborhood Preservation	5,000	5,000	-	-	-	5,000	-	5,000
9	Salaries-Project Delivery	n/a	n/a	City of Huntington Park	City's staff salary	Neighborhood Preservation	73,000	48,000	-	-	-	24,000	-	24,000
10	Legal Services	9/20/2005		Richards Watson & Gershon	Project legal fees	Neighborhood Preservation	10,000	10,000	-	-	-	10,000	-	10,000
11	Carmelita Property Maintenance	n/a	n/a	City of Huntington Park-Public Works Dept	Property clean up and board-up	Neighborhood Preservation	9,500	6,000	-	-	-	3,200	-	3,200
12	Carmelita Fence Rental	n/a	n/a	Reimbursment to City	Fence rental	Neighborhood Preservation	3,000	3,000	-	-	-	3,000	-	3,000
13	California Land Reuse and Revitalization Act (CLRRRA) Agreement	9/23/2004		California Department of toxic Substance Control (DTSC)		Merged	93,000	-	-	-	-	-	-	-
14	Southland Steel Clean up	10/6/2008		ECO & Associates		Merged	80,000	-	-	-	-	-	-	-
15	Implement Clean up of Contaminated Soil			TBD		Merged	-	-	-	-	-	-	-	-
16	Salaries-Project Delivery	n/a	n/a	City of Huntington Park Staff Salaries	Direct project costs	Merged	121,000	48,000	-	-	-	24,000	-	24,000
17	Legal Fees	9/20/2005		Richards Watson & Gershon	legal fees in connection to disposition of Southland Steel property	Merged	10,000	10,000	-	-	-	10,000	-	10,000
18	Middleton Affordable Housing Project	12/3/2007		Oldtimers Housing Development Corporation	Development of 11 residential units	Merged	2,200,000	-	-	-	-	-	-	-
19	Middleton Project Relocation Benefits	n/a	n/a	Tenants	Relocation benefits	Merged	250,000	250,000	-	-	-	250,000	-	250,000
20	Middleton Project Relocation Services	6/16/2008	6/16/2011	Overland Pacific & Cutler	Relocation services	Merged	25,000	25,000	-	-	-	25,000	-	25,000
21	Salaries-Project Delivery	n/a	n/a	City of Huntington Park Staff Salaries	Direct project costs	Merged	73,000	48,000	-	-	-	24,000	-	24,000
22	Middleton - Legal Services	9/20/2005		Richards Watson & Gershon	Legal fees in connection to Middleton Project	Merged	10,000	10,000	-	-	-	10,000	-	10,000
23	LAUSD vs. County of L.A. et al	9/20/2005		Richards Watson & Gershon	Legal fees in connection to lawsuit	Merged	3,000	3,000	-	-	-	3,000	-	3,000
24	CARRYOVER ROPS 3 -Administrative Budget January 1,2012 -June 30,2012	n/a	n/a	City of Huntington Park		Neighborhood Preservation	125,000	125,000	-	-	125,000	-	-	125,000
25	CARRY OVER ROPS 1 Administrative budget	n/a	n/a	City of Huntington Park		Neighborhood Preservation	-	-	-	-	-	-	-	-
26	CARRY OVER ROPS 2 Adminstrative Budget	n/a	n/a	City of Huntington Park		Merged & Neighborhood Preservation	125,000	125,000	-	-	125,000	-	-	125,000
27	Arbitrage Rebate Payment	n/a	n/a	Internal Revenue Service		Merged	3,400,000	3,400,000	-	-	-	3,400,000	-	3,400,000
28	ROPS 13-14A Adminstrative Fees	n/a	n/a	City of Huntington Park		Merged & Neighborhood Preservation	125,000	125,000	-	-	125,000	-	-	125,000
29	Oversight Board Legal Fees	2/20/2013		Colantuono & Levin, P.C.	legal representation to Oversight Board	Merged & Neighborhood Preservation	50,000	30,000	-	-	-	20,000	-	20,000
30	Appraisal			R.P. Laurain & Associates	Appraisal reports for Successor Agency properties	Merged & Neighborhood Preservation	15,000	13,500	-	-	-	13,500	-	13,500
31	Land Sale Costs			City of Huntington Park	Cost associated with disposition of properties	Merged & Neighborhood Preservation	50,000	50,000	-	-	-	25,000	-	25,000

HUNTINGTON PARK (LOS ANGELES)
Pursuant to Health and Safety Code section 34186 (a)
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPSII)
July 1, 2013 through December 31, 2013

Item #	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
					Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
					\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,005,686	\$ 6,101,034	\$ -	\$ -
1	Tax Allocation Refunding Bond 1994 Series A	U.S. Bank	Bond Payment	Merged									5,206,573	4,229,148		
1	Surety Payments	Assured Guarantee	Reimbursement to reserve insurance policy for draw on 1994 TABS	Merged										56,147		
2	Public Funding Lease Agreement 2007	First Security Bank	Lease Agreement payment	Merged									417,248	417,248		
3	Loan Agreement/Promissory Note Merged Redevelopment (Santa Fe) Project	Union Bank	Loan payment	santa fe									173,583	175,332		
4	Loan Agreement/Promissory Note Neighborhood Preservation Project	Union Bank	Loan payment	Neighborhood Preservation									108,282	108,500		
16.1	Middleton Project Relocation Benefits	Various --Tenants	Relocation payments to displaced households	Merged									100,000	35,000		
n/a	True up payment	Los Angeles County	County demand payment pursuant to AB 1484. The county incorrectly calculated the true-up amount since it did not account for its deferral pass-throughs fo appx. \$1.98 million	Merged	-	1,500,000			-	-			-	1,079,659		

HUNTINGTON PARK (LOS ANGELES)
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14 A)--Notes (Optional)
 JULY 1, 2013 THROUGH DECEMBER 31, 2013

Item #	Project Name/Debt Obligation	Notes/Comments	
1	2004A TABs	The Bonds are due in annual installments and interest until September 1, 2022. The Dept was issued to refund prior bonds issued in 1985,86,87 and 1990.	
2	DSR Surety Repayment 2004A TABs	The calculation of the "true up" payment per AB1484 the Successor Agency paid \$2,579,659.92 to the Los Angeles County Auditor Controller. The County's calculation of RPTTF Deposits of \$5,162,546.92 included County Taxing Entity deferral of \$1,981,251.41. Because of the payment to the L. A. County Controller this created a technical default on the debt payment of Sept. 2012 and had to use reserves that have to be replenish per bond covenants.	
3	Public Funding Lease Agreement 2007	The bonds are due in annual installments and interest until December 1, 2025. The debt was issued to refund prior bonds issued in October 1997.	
4	Promissory Note Merged Redevelopment (Santa Fe) Project	The bonds are due in annual installments and interest until October 1, 2027. The debt was issued to refund prior Tax allocation and Revenue refunding bonds issued in October 1997.	
5	Promissory Note Neighborhood Preservation Project	The bonds are due in annual installments and interest until February 1, 2027. The bonds provided funding for various street and park improvements in the project area and acquisition of a blighted property in order to provide new housing.	
6	Los Angeles County Reimbursement Agreement	County of Los Angeles repayment of deferral of prior years' pass through payment deferrals. The outstanding amount is as of June 30, 2011.	
7	Carmelita Project Relocation Benefits	In April 2010, the CDC purchased 1.9-acre site with bond loan proceeds. The site contains 12 residential vacant units and one large vacant undeveloped parcel. 11 out of relocated. One will be evicted-CARRY OVER ROPS 2 \$50,000	
8	Carmelita Relocation Services	Provide Relocation Services	
9	Salaries-Project Delivery	Oversight and project management for city staff projected at 2 years: Community Development Director 5% (8.6 hrs/month; 104 hrs/year,) Housing Manager 10% (17 hrs/month; 208 hrs/year;); Project Manager 15% (26 hrs/month; 312 hrs/yr) -	
10	Legal Services	Legal services for tenant eviction	
11	Carmelita Property Maintenance	Maintain property free of trash, debris, overgrown weeds, services based on quarterly basis	
12	Carmelita Fence Rental	Security - property board-up and fence rental annual payment. Current P.O for rental and board up is \$1,500 for one year. Additional fencing is required at an aproximate cost of \$1,368. Remaining balance is for occassional board up services.	
13	California Land Reuse and Revitalization Act (CLRRRA) Agreement	In May 2005, CDC purchased four parcels to revitalize and redevelop the site into an auto dealership or commercial retail center. Environmental assessment discovered soil and groundwater water contamination on the property.As a result,CDC entered into	
14	Southland Steel Clean up	Consultant to assist in the preparation of the plans and reports as required by DTSC and implement clean-up.	
15	Implement Clean up of Contaminated Soil	Item denied by DOF in ROPS III	
16	Salaries-Project Delivery	Oversight and project management for city staff projected at 2 years: Community Development Director 5% (8.6 hrs/month; 104 hrs/year,) Housing Manager 10% (17 hrs/month; 208 hrs/year;); Project Manager 15% (26 hrs/month; 312 hrs/yr) -	
17	Legal Fees	legal services related to clean-up.	
18	Middleton Affordable Housing Project	Affordable Housing Agreement for development of 11 units.	
19	Middleton Project Relocation Benefits	Relocation Benefits - Relocation costs increase as a result of permanent relocation. CARRY OVER ROPS 2	
20	Middleton Project Relocation Services	Provide Relocation Services	
21	Salaries-Project Delivery	Oversight and project management for city staff projected at 2 years: Community Development Director 5% (8.6 hrs/month; 104 hrs/year,) Housing Manager 10% (17 hrs/month; 208 hrs/year;); Project Manager 15% (26 hrs/month; 312 hrs/yr)	
22	Middleton - Legal Services	Legal services as necessary to complete project due to potential litigation proceedings	
23	LAUSD vs. County of L.A. et al	Legal services related to a litigation case (2007) from LAUSD against the L.A. County and various RDAs regarding dispute on ERAF payments	
24	ROPS 3 -Administrative Budget January 1,2012 -June 30,2012	Cooperative agreement between the Successor Agency of the Community Development Commission of the City of Huntington Park for advance reimbursement of administrative, overhead and other expenses by and between the Successor Agency and the City of Huntington Park. After debt payments no funds were available, therefore, the City advanced the cost	
25	CARRY OVER ROPS 1 Adminstrative budget	Item denied by DOF in ROPS III	
26	CARRY OVER ROPS 2 Adminstrative Budget	Cooperative agreement between the Successor Agency of the Community Development Commission of the City of Huntington Park for advance reimbursement of administrative, overhead and other expenses by and between the Successor Agency and the City of Huntington Park. After debt payments no funds were available, therefore, the City advanced the cost	
27	Arbitrage Rebate Payment		
28	ROPS 4 Adminstrative Fees		
29	Oversight Board Legal Fees	On February 20, 2013 the Oversight Board approved an agreement with Colantuono & Levin PC to provide legal services to the Board.	
30	Appraisal	Appraisal services in connection to properties owned by the Successor Agency.	
31	Land Sale Costs	Expenses associated with disposition of properties	